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31 January 1958

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# CENTRAL INTELLIGENCE BULLETIN



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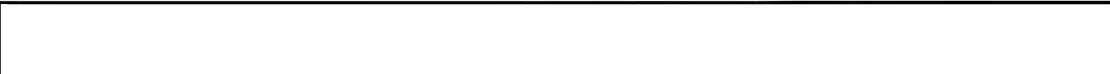
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State Dept. review completed

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## CENTRAL INTELLIGENCE BULLETIN

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### DAILY BRIEF

#### I. THE COMMUNIST BLOC

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*no* Communist China: Peiping's First Five-Year Plan, which ended in December 1957, has shown results in the key industrial sectors which compare favorably with the rapid advances of the USSR's First Five-Year Plan (1927-1932). Peiping begins its Second Five-Year Plan on a clear note of determination and optimism, and the economy will probably continue to expand at about the same rate (6-7 percent) during the next five years, provided that the regime is able to obtain the necessary peasant cooperation.

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#### II. ASIA-AFRICA

*no* Egyptian-Syrian union: Nasir remains preoccupied with the form which Egyptian-Syrian union may take and with the personnel problems involved. Views on these subjects are shifting daily in Cairo. Damascus, however, continues steps

toward union with undiminished momentum, and reservations held by some Syrians and Egyptians may not forestall an announcement of union. Second thoughts about union are likely to increase among both Egyptians and Syrians as its difficulties and disadvantages come to the fore. [redacted]

*No* Morocco: The Moroccan Government, conscious of American and British sales of arms to Tunisia last fall, is also attempting to break away from the controls Paris and Madrid maintain over the supply of the Royal Moroccan Army. Rabat has approached Rome for military supplies and assistance in constructing an ammunition factory, and Foreign Minister Balafrej has threatened to seek Czech assistance if Italy refuses. [redacted]

*OK* Afghan-Pakistani relations: Afghan King Zahir's visit to Karachi from 1 to 5 February begins a new round in the exchange of state visits which began in 1956 with the aim of improving relations between Pakistan and Afghanistan. Continuing differences over such problems as a transit agreement and "Pushtoonistan" are likely to limit progress toward any substantial cooperation between Karachi and Kabul.

*OK* Burma: Burmese Prime Minister Nu's public rejection of Marxism on 29 January as a guiding political philosophy is his most forthright repudiation of Communist methods in favor of democratic procedures. He thus joins Prince Sinahouk of Cambodia as the second leader of a neutral Southeast Asian country openly to denounce international Communism

in the past few weeks. Neither leader is likely to abandon his attachment to the principle of neutrality. [redacted]

No Indonesia: The resignation of the Djuanda cabinet has been publicly called for by two dissident leaders, Col. Simbolon and Col. Djambek, in Sumatra. Their demand may be the prelude of an ultimatum to Djakarta. They also suggested that Acting President Sartono nominate former Vice President Hatta and the Sultan of Jogjakarta to form a new cabinet. [redacted]

No On the basis of findings by its Watch Committee, the Intelligence Advisory Committee concludes that there is no evidence of Sino-Soviet intention to become militarily involved in the Indonesian situation. There is evidence that dissident leaders on Sumatra plan to issue an ultimatum in early February requiring changes in the central government and posing the threat of a rival government. Continued failure to resolve the basic differences between the central government and the dissident leaders would lead to a situation even more favorable to the Communists on Java. [redacted]

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## I. THE COMMUNIST BLOC

No back-up material.

## II. ASIA-AFRICA

### Morocco Presses for Italian Arms Assistance

The Moroccan Government, conscious of American and British sales of arms to Tunisia last fall to avert the possibility of Tunisian procurement of bloc arms, is also attempting to break away from the controls Paris and Madrid maintain over equipment supplied to the Royal Moroccan Army.

Early last November Rabat asked for Italian technical assistance in constructing and operating a small-arms ammunition factory and the ad interim supply of small-arms ammunition. Later that month, Moroccan officials requested similar assistance from Washington

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On 16 January, Foreign Minister Balafrej, following up the November approach, threatened to seek Czech assistance if Italy did not supply the ammunition considered essential for internal security purposes. The Italian Embassy in Rabat does not expect a favorable response from Rome. Czechoslovakia maintains a permanent economic mission in Rabat and on 22 November concluded a trade agreement with Morocco. This agreement might serve as the vehicle for Czech arms assistance.

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### Afghan King Zahir Shah's Visit to Pakistan

The state visit to Pakistan planned by Afghan King Zahir from 1 to 5 February will open a new round in the effort to improve relations between Afghanistan and Pakistan. His trip has been planned as a further demonstration of the more conciliatory attitude in Karachi and Kabul since 1956, when an exchange of official visits was begun with Pakistani President Mirza's trip to Afghanistan. Zahir Shah's visit was originally scheduled for December, but had to be postponed because of the fall of the Pakistani Government.

The Afghan King's presence in Karachi will provide an opportunity for discussing additional means of increasing cooperation between the two countries, the most important of which is the proposed agreement on transit facilities for Afghan trade. Specific negotiations, however, probably will take place later at the ministerial level.

Continuing differences over such problems as transit arrangements, as well as mutual distrust on the question of "Pushtoonistan," are likely to limit progress toward any substantial cooperation between Karachi and Kabul.

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### Burmese Premier Rejects Marxism

Premier U Nu, in a major speech to the national congress of the governing Anti-Fascist People's Freedom League on 29 January, rejected Marxism as a guiding political philosophy. He promised that Burma would not accept any program leading to the dictatorship of the proletariat or any other kind of dictatorship. Nu stated that in developing a socialist state in Burma, the government would use only democratic means.

Nu's statement points up the degree to which Burma's leaders have dropped rigidly doctrinaire socialism. Their commitment to democratic socialism was also underscored by Deputy Prime Minister Kyaw Nyein, on his return from a long tour of the Sino-Soviet bloc in early January, when he pointed out the difference between the one-party dictatorships in Communist countries and parliamentary democracy in Burma.

U Nu is the second prominent Southeast Asian neutralist recently to denounce Communist practices. Cambodian Crown Prince Sihanouk is continuing his attack on international Communism which began early this month. At a Cambodian youth rally, Sinahouk criticized "international socialism which is Communist and serves external interests." He is also reported to have blocked acceptance of 20 Soviet scholarships.

Neither Burma nor Cambodia, however, is likely to alter its strictly neutral international position in the foreseeable future.

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### III. THE WEST

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